

**INFLUENCE OF STRATEGIC MANAGEMENT DRIVERS ON PERFORMANCE OF  
CONSTRUCTION FIRMS IN NAIROBI COUNTY IN KENYA**

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## ABSTRACT

The construction industry is a major source of employment worldwide, arguably the second largest after agriculture, and generally the primary one in urban areas. Construction (new and maintenance) are labour-intensive activities, generating many jobs per unit of investment on and off the site. Construction firms in Kenya face formidable constraints that hinder them from realizing their performance internationally and locally. These constraints which include: projects not completed on budget; projects not completed on time; projects not completed on the required technical specifications and quality which contribute to client dissatisfaction in construction firms.

Measuring performance of construction firms under the influence of strategic management drivers affecting the industry is an important task which needs to be employed by corporate managers, investors and other stakeholders. This study focused on the influence of strategic management drivers on the performance focusing on the influence of corporate culture; technical capabilities; human resource capabilities and customer relationship management on performance of construction firms in Nairobi County with the aim of bridging a gap on this field. The theories used in this study are: Resource Based View theory; Network View Theory; Contingency theory and the Balance Score Card. This study used qualitative and quantitative research design. The target population was construction firms in Nairobi County registered by National Construction Authority under category NCA1 and NCA 2. The collected data was analyzed using SPSS version 21 and ANOVA.

The results from the study indicated that strategic management drivers have a positive influence on the performance of large construction firms and recommended that top level management should put emphasis on these drivers in order to formulate and implement sustainable competitive strategies with the aim of being relevant in the turbulent and rapid business environment.

**Key Words:** *Technology capabilities, corporate culture capabilities, Human resource capabilities, Customer relationship management capabilities, Performance Large construction*

*firms, Nairobi County*

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